Objective:

The Dean’s Office is committed to accurate and timely entertainment expense reimbursements via the online ePay expense reporting system. It is the Dean’s Office responsibility to provide clarification on the Campus entertainment expense reporting process, ensure entertainment reporting adheres to UC policy, and assist the Campus in ensuring entertainment expense reimbursements meet the IRS “Accountability Plan” requirements. To meet the IRS Accountable plan requirements, all University employees must comply with certain entertainment expense reporting rules. Under the IRS Accountable Plan requirements, hostess provide the University with the same type of records and supporting information that the hostess would provide to the IRS if the IRS questioned an entertainment related deduction. To assist in processing timely entertainment expense reimbursements and maintaining compliance with the IRS Accountability Plan requirements, a summary of the important elements have been noted below along with some basic procedures.

Authorization must be obtained from the Administrator (i.e., program director, Department Chair, or Principle Investigator) responsible for the fund being charged on all entertainment requests. Authorization requests can be sent via email or hard copy and they must be stored electronically as an attachment on the ePay request.

Procedures:

1. Once it has been established that entertainment is needed and/or entertainment has commenced and completed, the hostess provides the Purchasing Assistant with the appropriate authorization and documentation. This can be in the form of a “pre-approval” that is signed or an email that includes the following:
   - Name of hostess
   - Date of business entertainment/event
   - Destination/location and purpose of the event
   - Estimated and/or actual expenses for meals and related business expenses associated with the entertainment
   - Names of all attendees and their affiliations
   - FAU to be charged

2. If the expense is going to require exceptional approval due to overages on the per person meal costs and/or spousal attendance, a BCoE Request for Exceptional Approval must be completed and sent to the Dean’s Office Analyst for review and approval by the Dean.

3. It is highly encouraged that all hostess initiate their own reimbursement request in ePay and complete as much of the needed information as possible. The authorization and related receipts will be attached by the department Purchasing Assistant.

4. Once the event has been initiated in ePay and the required documentation has been attached, the Purchasing Assistant will approve and send to the hostess for approval, from there, the request will flow through the departmental approval process and route to Accounting for final approval and processing.
Policy Requirements:

1. Substantiation of business expenses through completion of all required fields in ePay.
   - In the “Purpose/Description of the Event” field, a clear description of the University business purpose must be provided. This can be accomplished by attaching the meeting agendas, conference program, speaker fliers, etc.
   - Clearly identify if the event is multi-day and attach all related purchase orders and ePays.
   - Complete the hostess name, attendee names, and affiliation section.

2. Attach required documentation
   - Itemized receipts are always required expenses over $75. **For expenses under $75, receipts are not required.**
   - Itemized receipts should be original and show the name of the payee, the amount of the charge, the transaction date, and method of payment.
   - If original receipts are not available for expenses over $75, a Declaration of Missing Evidence should be completed.

3. Allowable Expenses
   - Entertainment meals provided to prospective donors, employees or student appointees
   - Entertainment meals provided to visitors, guests, and volunteers
   - Entertainment meals provided to a spouse or partner of a guest or host (on an exception basis)
   - Business meetings
   - Employee morale functions (on an exception basis)
   - Other employee meals
   - Student meals

4. Authorized Rates
   - The Maximum per person rates for meals and light refreshments are established by UC and include food, beverages, tax, service, and delivery charges.
   - Breakfast maximum is $27/person.
   - Lunch maximum is $47/person.
   - Dinner maximum is $81/person.
   - Light refreshment maximum is $19/person.

5. Approval of Expenses
   - The host must approve all expenses.
   - The department head of equivalent authority must approve all routine expenses.
   - The expenses must support the department, organization, and University mission.
   - The expenses should be reasonable, cost effective, and allowable on the fund source.

6. Exceptional Expenses
   - The Dean must approve all exceptional expenses and this should be done at least 10 working days in advance of the event.
   - These expenses should be infrequent.
   - These expenses include: expenses that exceed the per-person maximum rates; entertainment involving spouses/family members; table sponsorships; event tickets, cash contributions, and other events not specifically outlined in the policy (see below for link).

The above requirements are not an exhaustive list, and for the sake of brevity only represent the most significant of IRS Accountability Plan requirements for employee entertainment expense reimbursements. For more information about the official University entertainment, business meetings, and other occasions policy and procedures see the University of California’s Business and Finance Bulletin BUS-79: [http://policy.ucop.edu/doc/3420364/BFB-BUS-79](http://policy.ucop.edu/doc/3420364/BFB-BUS-79).

Please note some funding agencies may require documentation beyond what is outlined under BFB G-28. Contact your department financial manager or contracts and grants analyst for more information.

College of Engineering, Dean’s Office
Entertainment Policy/Procedure Quick Guide
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- All events must be for a legitimate business purpose and should be substantiated by and agenda, conference program, speaker flier, etc. All trips need to be approved by the “owner” (i.e. manager, PI, etc.) of the funding source.
- Clearly identify the hostess and affiliation and note if the event is a multi-day event.
- Itemized receipts are always required for expenses over $75. **For expenses under $75, receipts are not required.**
- If original receipts are not available for expenses over $75, a Declaration of Missing Evidence should be completed.
- Entertainment meals provided to prospective donors, guests, and volunteers are allowable.
- Entertainment meals provided to visitors, employees or student appointees, are allowable.
- Entertainment meals provided to a spouse or partner of a guests are allowable by exception.
- Food provided for business meetings, employee morale functions (by exception), other employee meals, and student meals are allowable.
- The maximum per person rates for meals and light refreshments are established by UC and include food, beverages, tax, service, and delivery charges.
- The maximum rates effective 1/1/16 are as follows: Breakfast $27/person, Lunch $47/person, Dinner $81/person, and Light Refreshments $19/person.
- The host must approve all events/expenses and an attendee list must be provided.
- All expenses must support the department, organization and University mission.
- The expenses should be reasonable, cost effective, and allowable on the fund source.
- The Dean must approve all exceptional requests and these types of events should be infrequent.
- Exceptional events include: expenses that exceed the per-person maximum rates; entertainment involving spouses/family members; table sponsorships; event tickets, cash contributions, and other events not specifically outlined in the policy.

For more information about the official University entertainment, business meetings, and other occasions policy and procedures see the University of California’s Business and Finance Bulletin BUS-79: http://policy.ucop.edu/doc/3420364/BFB-BUS-79.

Please note some funding agencies may require documentation beyond what is outlined under BFB G-28. Contact your department financial manager or contracts and grants analyst for more information.